



General Assembly

February Session, 2006

***Raised Bill No. 437***

LCO No. 2410

\*02410\_\_\_\_\_FIN\*

Referred to Committee on Finance, Revenue and Bonding

Introduced by:  
(FIN)

***AN ACT INCREASING THE CONNECTICUT HOUSING FINANCE  
AUTHORITY'S UNINSURED PERMANENT MORTGAGE CAP.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 8-251 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2006*):

3 (a) In order to provide additional construction and permanent  
4 financing for housing in this state, the authority is authorized to make  
5 commitments to purchase, and to purchase, service and sell mortgages  
6 and to make loans directly upon the security of any mortgage, and to  
7 make commitments to purchase, and to purchase and sell participation  
8 sale certificates representing interests in mortgages, provided the  
9 underlying mortgage loans shall have been made and shall be used  
10 solely to finance or refinance the construction, rehabilitation, purchase  
11 or leasing of housing in this state, and provided further the aggregate  
12 amount of permanent mortgages, mortgage-backed securities and  
13 participation sale certificates representing interests in mortgages  
14 purchased, and permanent loans made by the authority which are not  
15 directly or indirectly insured or guaranteed by any department,  
16 agency, instrumentality of the United States of America, or public

17 corporation chartered by the Congress of the United States, including  
18 but not limited to the Federal Home Loan Mortgage Corporation, or  
19 which are not insured or guaranteed by any department, agency or  
20 instrumentality of the state, any insurance company licensed to do  
21 business in the state and authorized to underwrite mortgage insurance  
22 or by the authority shall not at any one time exceed [seven hundred  
23 fifty million] one billion two hundred million dollars.

24 (b) For the purpose of encouraging balanced community  
25 development in urban areas and increasing the supply and availability  
26 of mortgage financing for the residents of urban areas, the authority is  
27 authorized to make commitments to purchase, and to purchase, urban  
28 area mortgages or to make loans directly upon the security of urban  
29 area mortgages or to make loans for, or to purchase, urban area  
30 mortgages under terms and conditions requiring the proceeds thereof  
31 to be used for the making of additional urban area mortgages, subject  
32 to the provisions of section 8-250.

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2006</i>	8-251
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***Statement of Purpose:***

To increase the statutory cap on CHFA's uninsured permanent mortgages to \$1,200,000,000, which would bring the ratio of uninsured loans to total assets to 30%.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*